



City of Minneapolis Audit Committee

Application Security Review #2013-02

**March 27, 2013
Regular Meeting**

The Internal Audit Department contracted with PricewaterhouseCoopers to collaboratively conduct an Application Security review for the City of Minneapolis

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Background

The City utilizes PeopleSoft applications to support key financial and human resource transactions. The PeopleSoft Compass system houses the general financial transactions while the PeopleSoft Human Resources Information System (HRIS) manages payroll, benefits and human resources.

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Objective

The objectives of this review include the following: (1) to determine the current access of City employees for specified PeopleSoft software applications and assess whether appropriate controls are in place to prevent and detect inappropriate access to these PeopleSoft applications; (2) to review internal policies and procedures in order to assess the adequacy of controls over access management; and finally, (3) to assess whether access is appropriate, users are current and there is an appropriate level of segregation of duties.

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Scope

This review was limited to the following applications:

- ❑ General Ledger (PeopleSoft Version 9.0, PeopleTools Version 8.49.25)
- ❑ Accounts Payable (PeopleSoft Version 9.0, PeopleTools Version 8.49.25)
- ❑ Accounts Receivable (PeopleSoft Version 9.0, PeopleTools Version 8.49.25)
- ❑ Payroll and HR Job data access that is pay related (PeopleSoft Version 8.9, PeopleTools Version 8.49.28)
- ❑ Time and Labor (T&L) (PeopleSoft Version 8.9, PeopleTools Version 8.49.28)

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Approach

1. Performed a risk assessment to determine key financial transactions and their related access within the General Ledger, Accounts Payable, Accounts Receivable, Payroll, T&L, and HR processes.
2. Collaborated to gain an understanding of the aforementioned PeopleSoft processes by performing a high-level process walk-through, including reviewing existing documented PeopleSoft access policies and procedures.
3. Assessed the operating effectiveness of the provisioning and de-provisioning processes for the in- scope applications. Collaborated with IA and applicable department management to confirm exceptions to the processes.
4. Utilized PwC's proprietary tool, PeopleSoft GATE, to perform an automated assessment to determine individuals with access to transactions. PwC ran the tool on all access areas and provided the results to IA and applicable department management for future process assessments.
5. If results did not meet expectations of duties that should be segregated or restricted, with IA, PwC met with applicable City department management to discuss results and next action steps to address the expectation gap.

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Recommendations

1. Application Security Policy
2. Segregation of Duties (SoD) Framework and Monitoring
3. Additions and Separated Employee Processes
4. Compass and HRIS Super Users

Projected Cost of Implementation



Projected Cost of Implementation (contents provided by FPS, HRTS & IT)				
Audit Finding		Total Estimated Cost		
		FPS	HRTS	IT
1	Application Security Policy	\$5,200 to \$7,800	\$2,700 to \$5,400	\$6,250 to \$10,000
2	Segregation of Duties (SoD) Framework and Monitoring	\$19,800 to \$22,400 \$2,080 (annually)	\$2,700 to \$5,400	-
3	Additions and Separated Employee Process	\$2,600 to \$5,200 \$3,120 (annually)	\$1,800	\$150,000 to \$200,000
4	Compass and HRIS Super Users	\$1,560 (annually)	\$1,800	\$20,000 to \$200,000
Total (one time)		\$27,600 to \$35,400	\$9,000 to \$14,400	\$176,250 to \$410,000
Total (annually)		\$6,760	-	\$230,000 *

* IT will need a Security Engineer and Security Application Analyst for implementing and maintaining proposed security systems

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Conclusion

Based on our review, we believe there are opportunities for improvements to address risk areas identified in this report. FPS, HR and IT worked collaboratively with IA to develop action plans to address these risks.

IA and PwC would like to extend our appreciation to FPS, HR and IT personnel who assisted and cooperated with us during this review.